



GLADSTONE PACIFIC NICKEL LTD

30 June 2009

Gladstone Pacific Nickel Limited  
ACN 104 261 887  
("GPNL" or the "Company")

### Lapse of Memorandum of Understanding with MCC

Gladstone Pacific Nickel Ltd today announces that China Metallurgical (Group) Corporation ("MCC") will not be renewing its Memorandum of Understanding ("MoU"), entered into on 30<sup>th</sup> January 2008, for development of the Gladstone Nickel Project (the "Project"). MCC has advised that it is slowing down its activity on the Project due to current nickel market conditions.

Mr Downie, CEO of the Company said, "The global financial crisis has resulted in a slowdown in the development of resource projects worldwide. This may result in up to a two year delay on our existing plans for the Project. GPNL has developed a strong relationship with MCC which the Company will continue to progress."

The Company is poised to take advantage of the next cycle in the nickel market. The Company has received all the necessary environmental approvals for the Project, land acquisition agreements and native title clearances. The Gladstone Nickel Project remains one of the most advanced projects in the pipeline of green field nickel projects.

GPNL has gained key approvals from the Queensland Government and will seek to extend the Gladstone land purchase and environmental agreements to reflect the potential two year delay to the Project.

The Company is undertaking a review of the Project scope with a view to lowering the capital hurdle while continuing to leverage off the infrastructure, both current and planned, in Gladstone.

The Company currently has more than A\$10 million in cash reserves. The Board will continue to evaluate various strategic options with a view to maximising the asset base of the Company.

*For further information please contact:*

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